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STAFF MEMORANDUM NO. 7-64 (Internal ONE Working Paper --  
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SUBJECT: Europe 1964: Prospects for Movement toward Political  
Unity

SUMMARY

The recent calls by various European leaders, including de Gaulle and Erhard, for new initiatives to form a political union among the EEC countries will result in little more than talk for some months to come. Formal negotiations, based on the French Fouchet Plan for a loose confederation, could get under way late this year, and discussions would then probably drag on for more months. The success of the negotiations will depend mainly on whether de Gaulle is willing to make a firmer commitment than he has to date to support a future evolution from loose confederation to a more closely integrated, supranational entity. We believe the chances that he will do so are no better -- but no worse -- than even.

DISCUSSION

1. The Common Market has survived 1963, and various officials in the EEC countries are now urging a renewal of the effort --

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which last bogged down in the spring of 1962 -- to make some progress toward political unity among the Six. Optimism that progress is in fact possible has been heightened by the successful completion of the complex end-of-year negotiations within the Common Market on agriculture and external tariff questions. Many Europeans believe that these agreements will reestablish the EEC's forward momentum and internal cohesion, which have been notably lacking since de Gaulle's rejection of Britain's application to join the Common Market.

2. The basic differences of outlook between de Gaulle and the supranationalists have not been eliminated, and the events of the last year have demonstrated to all concerned that treaty provisions for regular consultation and coordination are not always very effective. Nevertheless, both sides have of late exhibited new interest in developing closer institutional arrangements -- de Gaulle presumably in the hope of advancing the concept of a French-led Europe of nation-states, the supranationalists in the hope of restoring the general momentum of European unification and of taking at least some limited practical steps to that end. The difficulties involved in reconciling these divergent aims, as they have appeared in the past and are likely to emerge again, are discussed below.

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## I. PREVIOUS NEGOTIATIONS

3. The cooperation achieved in economic matters through creation of the European Coal and Steel Community, EURATOM, and the European Economic Community (EEC) has not been matched in other fields. The attempt to set up a European Defense Community (EDC) in the early 1950's was abandoned in the face of French opposition. Lengthy and unsuccessful negotiations for creation of a European political union parallel to that already existing in the economic field were carried on from 1960 to 1962\*. The central points of difference in these talks, which are likely to recur, were the role of Britain, the question of supranationalism versus loose confederation, and the manner in which problems of European defense and relations with NATO would be handled.

\* Much of the 1960-1962 series of negotiations, except for occasional chiefs-of-state and foreign ministers' meetings, took place in a committee of senior foreign office officials from each of the EEC countries. The committee was first chaired by the French diplomat Fouchet, and later by the Italian, Cattani, and became known as the Fouchet or Cattani Committee.

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4. Britain and Political Union. Argument over British participation was the issue which finally precipitated suspension of the talks in April 1962. De Gaulle was firmly against allowing Britain to join the discussions, and he had at least tacit support from Adenauer. Italy wanted the British in, but did not feel strongly enough to break up the talks on this issue. The Netherlands, on the other hand, not only had championed British participation from the beginning, but became more adamant on the subject following Britain's application to join the EEC.

5. If the Dutch had been isolated, they might have been unwilling to take upon themselves the onus for breaking up the negotiations. But in the months before the talks collapsed, they received increasingly strong support from Belgium. This happened despite the fact that Belgium's Foreign Minister Spaak was a staunch believer in a closely integrated, federal Europe, and realized that Britain would favor only a loose confederation. In 1960 and 1961, Spaak had become more and more disturbed at de Gaulle's intransigence on all questions affecting European unity and NATO; he also increasingly began to fear that a Franco-German alliance was emerging which would dominate the smaller countries of Europe. Spaak preferred a supranational government

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as the best means to forestall the rise of a new nationalism in France and Germany, but if this were impossible, he wanted Britain to be a member of any looser type of union, in order to counterbalance the French and Germans. Talks came to a halt when both Spaak and Dutch Foreign Minister Luns refused to negotiate further unless the British participated.

6. Supranationalism Versus Loose Confederation. This question was the most fulcrum point of the 1960-1962 discussions. De Gaulle consistently refused to set up any supranational political institutions and indicated at one point that the existing supranational bodies such as the EEC Commission should be subordinated to the proposed political union. He also opposed giving the EEC's European Parliament, which now plays principally an advisory role, any legislative functions, or allowing its delegates to be directly elected. Under his scheme for a loose, confederal Europe, which became known as the Fouchet Plan, no nation would have been required to give up any of its sovereignty. With varying degrees of intensity, the other five EEC countries wanted some immediate steps to be taken toward setting up supranational political institutions. Accepting this as impossible, however, they attempted to put various clauses

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into the Fouchet Plan draft which would have committed or tended to commit the signing powers to revise the treaty in the direction of supranationalism at some future time.

7. In general, Belgium and the Netherlands favored the strongest possible "revision clauses," while West Germany and Italy<sup>\*</sup> appeared willing to settle for weaker wording which would not have committed the French to any specific measures, such as direct election of the European Parliament, or to a timetable for movement toward supranationalism. There were indications that de Gaulle might have accepted this, if negotiations had continued. The Belgians and the Dutch also insisted more strongly than the others that the political union foreseen by the French plan not impinge on the powers of the existing supranational bodies. (On these and certain other questions, Germany's Adenauer seemed particularly willing to give in to de Gaulle, and the Franco-German treaty of January 1963 incorporated, on a bilateral basis, many of the features of the Fouchet Plan.)

\* Luxembourg's position on various issues is ignored in this memorandum, since this small country would almost certainly accept any political union treaty agreed upon by the other five.

8. European Defense Versus NATO. The several drafts of the Fouchet Plan submitted by the French at different times always contained wording which could be interpreted as facilitating or allowing development of a defense policy by the Six outside the NATO framework. The other five, this time including Germany under Adenauer, were united in strongly opposing this. Just prior to the April 1962 break in negotiations, they finally got France's reluctant consent to the formulation that any defense consultations among the members "would contribute to the reinforcement" of NATO. Nonetheless, this is an issue which could easily arise again in future negotiations.

## II. THE SITUATION TODAY

9. Most of the European leaders who are now calling for movement toward political union do not expect much actual progress in the next few months. They recognize that none of the problems which plagued the earlier negotiations will be easily solved. Some Europeans also feel that the EEC countries should not get deeply involved in new political union discussions until another complex set of negotiations in which the Common Market is to participate this year -- the Kennedy Round of Trade

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and Tariff talks -- is well under way. This might be one way, it is felt, to put pressure on the French to support the concept of an "outward-looking" Europe in the Kennedy Round. Many European officials would also prefer to await the outcome of the British elections due sometime this year, so as to have a better picture of the new British government's policy toward Europe. All in all, it is almost certain that no new round of formal negotiations among the Six on political union will begin before late this year.

10. There is one imminent development affecting the EEC which may be advertised as a major step toward a supranational Europe, but will not be so. This is the merging of the Commissions of the EEC and EURATOM, and the High Authority of the Coal-Steel Community. Negotiations on such a merger are far advanced, and may be concluded in a month or so when agreement is reached on compensating Luxembourg for the loss of Coal-Steel Community Offices being transferred to Brussels. Combining the executives of the three economic communities is a step which supporters of European integration have wanted for years, and it clearly represents administrative progress and rationalization. The enlarged European Economic Commission may even ultimately develop its centralized powers into something more than the sum of the

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powers of its predecessors. But the actual supranational functions transferred to the new body will be no greater than those the three present executives have. They may even be less, since some powers of the Coal-Steel Community's High Authority, whose charter is more supranational than those of the other executives, may be lost in the merger.

11. In the slightly longer term -- one to two years hence -- the prospects for some kind of political union treaty are less unfavorable than they have been for the past year and a half, but it is impossible to predict whether the difficulties still to be faced can be surmounted. With the passage of time since de Gaulle's exclusion of England from the Common Market, the question of British participation is probably no longer an issue which would make or break new negotiations. Except for the Dutch, the other EEC governments have resigned themselves to the fact that progress toward unity in the near future will have to be made without London, especially if the British Labour Party wins the next election. Even the Belgians would probably now be willing to proceed without the British if de Gaulle made meaningful concessions on other points. The Dutch, whose economic and cultural ties to England are in some ways stronger

than their ties to the other EEC nations, would fight hard for the British, but we believe they would eventually give way if they were isolated. An agreement would probably be worked out to keep the British informed of discussions among the Six, without granting London actual rights of participation.

12. The issue of supranationalism, on the other hand, appears no closer to resolution now than in 1962. In all his recent hints that he favors new talks on political union, de Gaulle has carefully refrained from making any commitment to a future supranational evolution of such a union. As long as he continues this approach, agreement with the other EEC countries seems impossible, because they are more united than two years ago in wanting some progress toward supranationalism. Even Erhard, who has always been unenthusiastic about giving progressive bites of Germany's sovereignty to the EEC Commission, is now suggesting further steps. His reasoning seems to be that the limited but continuing transferral of economic sovereignty to the EEC cannot be stopped, and therefore supranational political powers must be developed as well, to exert a democratic control over the Common Market technical and executive bodies. In a speech on 9 January to the Bundestag, Erhard not only made a rather vague

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proposal for a new initiative on political union in general, but also implied that the European Parliament should be given real legislative powers and be directly elected.

13. The relationship of defense consultations among the Six to NATO would presumably also have to be renegotiated in any new discussions, and it is far from certain that de Gaulle would agree to the same formulation he finally accepted in 1962. French policy is no less antagonistic to NATO now than it was then, and de Gaulle would probably reopen this issue at least as a negotiating gambit on which he might later compromise. In addition, now that he can claim to have a nuclear force in being, de Gaulle might try somehow to link the political union talks to recent French suggestions for an eventual European nuclear force, based in part on the force de dissuasion. The other EEC countries are clearly not prepared to buy the French concept of a European nuclear force, and French efforts in this direction would almost certainly bring negotiations to an end.

### III. POSSIBILITY OF CHANGES IN FRENCH POSITION

14. It can be taken for granted that de Gaulle will bargain hard on all of these issues. Does he, however, want progress

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toward political union in the next year or two badly enough to change his position on some of them, after he has worn down the opposition as much as possible? A speculative case can be made for a positive answer. De Gaulle may feel his European policy has not had the success he had hoped for in the past year, and that a new approach is necessary. The Franco-German alliance, which de Gaulle saw as a bilateral substitute for the Fouchet Plan, has so far failed miserably to improve the coordination of the two countries' policies or to attract other EEC members to its folds. France's embryonic nuclear force has so far not fulfilled de Gaulle's hopes as a magnet which would gather support for a French-led Europe independent of the US. In addition, de Gaulle may be less willing than several years ago to wait indefinitely until the other EEC countries accept, without change, his plan for the organization of Europe. The general depolarization of world power centers, the Sino-Soviet split, and the possibilities of meaningful East-West detente have probably developed more rapidly than the General anticipated. De Gaulle may consequently believe progress toward European political union must be made now, if Europe, and indirectly, France, are to have large voices in this changing world.

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15. Although we believe the chances are no better than even, de Gaulle may for these reasons be willing to compromise some of his differences with the other EEC countries. He could, for example, accept the position on NATO and defense questions to which he agreed in 1962. He could also be more specific than he was at that time in promising future support to direct elections and increased legislative powers for the European Parliament. He could even commit himself to an approximate timetable for such moves. None of these steps would reduce French national sovereignty now, although they would be a firmer commitment to the principle of supranational development than de Gaulle has yet been willing to make.